

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

Nº: 500-11-058116-209

SUPERIOR COURT

(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1995, c. 36, as amended)

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

4406443 CANADA INC. (fka Spectra Premium
Industries Inc.)

-and-

**4406443 PREMIUM HOLDINGS (USA)
CORP.** (fka Spectra Premium Holdings (USA)
Corp.)

-and-

4406443 PREMIUM (USA) CORP. (fka
Spectra Premium (USA) Corp.)

-and-

**4406443 PREMIUM PROPERTIES (USA)
CORP.** (fka Spectra Premium Properties
(USA) Corp.)

Petitioners

and

ERNST & YOUNG INC.

Monitor

APPLICATION FOR A SEVENTH EXTENSION OF THE STAY OF PROCEEDINGS
Section 11.02 (2) *Companies' Creditors Arrangement Act R.S.C. (1985), c. C-36* ("CCAA")

INTRODUCTION

1. By the present *Application for a Seventh Extension of the Stay of Proceedings* (the "**Application**"), the Petitioners (the "**4406443 Group**") seek an extension of the Stay of Proceedings until June 30, 2023.

BACKGROUND

2. The 4406443 Group are debtor companies in the Motion for the issuance of an Initial Order filed on March 9, 2020 (the "**Initial Motion**") for whom a First Day Initial Order under the *Companies' Creditors Arrangement Act* ("**CCAA**") was issued in this Court file on March

10, 2020 and an Amended and Restated Initial Order was issued on March 24, 2020 (the “**A&R Initial Order**”), as appears from the Court record.

3. The A&R Initial Order provided, *inter alia*, that all proceedings against 4406443 Group were stayed until June 6, 2020.
4. On June 5, 2020, the Court issued an Order extending the stay of proceedings until September 26, 2020.
5. On September 25, 2020, this Court issued a Second Amended and Restated Initial Order (the “**Second A&R Initial Order**”) ordering that the stay of proceedings be extended until January 30, 2021.
6. On November 19, 2020, this Court issued three (3) Approval and Vesting Orders with regards to the sale of the three (3) Spectra Premium Industries Inc.’s properties constituting the Debert plant.
7. On January 29, 2021, this Court issued a Third Order extending the stay of proceedings until May 31, 2021.
8. On May 31, 2021, this Court issued a Fourth Order extending the stay of proceedings until September 30, 2021.
9. On September 21, 2021, the Petitioners filed an *Application for i) the issuance of an Approval and Vesting Order; ii) issuance of an Assigned Contracts Order; and iii) a fifth extension of the stay of proceedings* (the “**AVO Application**”).
10. On September 28, 2021, this Court issued i) an *Approval and Vesting Order* and ii) an *Assigned Contracts Order* as well as iii) a *Fifth Order Extending the Stay of Proceedings* until April 30, 2022.
11. The sale transaction contemplated in the AVO Application finally closed on November 12, 2021, and substantially all of the Sellers’ assets were transferred to the purchasers at closing (the “**Sale Transaction**”).
12. Pursuant to an order rendered on December 3, 2021, the powers of the Monitor were extended considering the resignation of all board members of the 4406443 Group and the necessity to manage some post-closing elements.
13. On April 25, 2022, the Petitioners filed an *Application for a sixth extension of the stay of proceedings* (the “**Sixth Application**”) and this Court issued on April 29, 2022, an order extending said stay of proceedings until December 2, 2022, and dispensing the Monitor from filing a report on said Application and from filing any further reports, including those required by section 23 (1) d) (ii) of the CCAA, unless to inform this Court of any material development with respect to the remainder of the present CCAA proceedings, should the Monitor deems it necessary or advisable.

ACTIVITIES SINCE THE LAST EXTENSION

14. Since the closing of the Sale Transaction on November 12, 2021, 4406443 Group has had limited operations and limited cash inflows or outflows related to the realization of one of

the assets excluded from the Sale Transaction, as well as to certain transition services resulting from the implementation of the Sale Transaction.

15. As already presented to this Court in the Sixth Application, only two assets remained in the 4406443 Group, namely a claim in Sweden and a vacant lot property in Nova-Scotia.
16. Since the last extension and as presented in the Sixth Application, the Monitor proceeded with the sale of the vacant lot property in Nova-Scotia, which now only leaves the claim in Sweden as the 4406443 Group's last asset.

Claim in Sweden

17. As already reported to this Court, 4406443 Canada Inc. is a secured creditor of its Swedish subsidiary Spectra Premium AB ("**SPAB**"), which filed for bankruptcy under Swedish insolvency and restructuring laws in May 2021.
18. The trustee appointed under the Swedish laws has undertaken to realize SPAB's assets.
19. On March 14, 2022, 4406443 Canada Inc. filed its proof of claim (in the amount of SEK 21 038 285 and CAD\$ 11 094 193) (the "**Spectra Claim**"), the whole as appears from the proof of claim already communicated in support of the Sixth Application as Exhibit R-2.
20. The trustee under Swedish Laws has completed the liquidation of SPAB's assets and is actually reviewing the proofs of claim filed by SPAB's creditors, including the 4406443 Group' claim.
21. Initially, SPAB's trustee had indicated that a distribution of dividends to the creditors was expected for the fall of 2022.
22. However, now said distribution is only expected to take place during the first half of 2023.
23. In fact, SPAB's trustee has completed its assessment of the dividends to be distributed to SPAB's creditors. SPAB's trustee prepared documentation regarding same (the "**Dividend Documentation**") and is expected to file said documentation with the Swedish bankruptcy court by the end of 2022, the whole to finalize SPAB's bankruptcy pursuant to Swedish applicable laws.
24. Following the filing of the Dividend Documentation by SPAB's trustee, the Swedish bankruptcy court would have to set a deadline by which SPAB's creditors will have to object to the proposed dividend to be paid, should they want to contest it, the whole again pursuant to applicable Swedish bankruptcy laws.
25. Only then and should there not be any objections from creditors, that payments can be made by SPAB's trustee to its creditors, which include 4406443 Canada Inc.

PROCEEDINGS AGAINST THE TRIBUNAL ADMINISTRATIF DU TRAVAIL

26. On June 23, 2022, the 4406443 Group filed an *Application for the issuance of an order declaring that a Regulatory Body is seeking to enforce its rights as a Creditor and to stay and declare moot such enforcement of rights* (the “**Application**”).
27. The Application was related to claims filed by 3 former employees of 4406443 Canada Inc. before the *Commission des normes, de l'équité, de la santé et de la sécurité au travail* (“**CNESST**”) that were referred to the Tribunal administratif du travail (the “**TAT**”) for a hearing on their claims.
28. Following the notification of the Application, the 3 former employees filed a notice of discontinuance of the claim before the CNESST and the TAT.
29. As a consequence of the notices of discontinuance, the Application became moot.
30. However, 4406443 Canada Inc. later learned that a fourth claim of a former employee had been referred to the TAT for a hearing.
31. There are actually discussions with the former employee's counsel to settle the matter without having to amend the Application in order to add the claimant as a party to Application and proceed on the merit of the Application.
32. It is expected that such discussion will lead to an agreement that will settle the matter without the necessity to present the Application before the Court.

FINANCIAL SITUATION TO DATE AND PROJECTIONS

33. As the Petitioners have no more commercial activities and have liquidated all assets (except as described above) and considering that no cash inflows and outflows other than for the collection of the Spectra Claim, as well as minor outflows related to the administration of the CCAA/Chapter 15 proceedings are expected, the Monitor does not deem advisable to file a report as no material development with respect to the remaining steps in the present CCAA proceedings have occurred.

GROUNDINGS FOR THE EXTENSION OF THE STAY OF PROCEEDINGS

34. The 4406443 Group has acted in good faith and with due diligence since the issuance of the First Initial Order and continues to do so.
35. The Stay of Proceedings currently expires on December 2, 2022, and 4406443 Group seeks an extension of the Stay of Proceedings until June 30, 2023 (the “**Seventh Extension Period**”).
36. The Seventh Extension Period is necessary to allow and facilitate the collection by the Monitor of the payment of its dividend in relation to the Spectra Claim in the bankruptcy of SPAB.
37. The Seventh Extension Period sought will not negatively impact 4406443 Group's creditors.

CONCLUSION

38. Considering the above facts, 4406443 Group submits that it is appropriate to render the Order sought herein.
39. A copy of the draft order sought is communicated as **Exhibit R-1**.
40. The Monitor has verbally announced that it supports the issuance of the order sought herein.

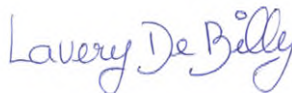
FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Application for a Seventh Extension of the Stay of Proceedings*;

EXTEND the Stay Period (as such term is defined in paragraph 8 of the Second Amended and Restated Initial Order dated September 25, 2020) until June 30, 2023, in accordance with the Draft Order filed as **Exhibit R-1**;

THE WHOLE without costs, except if contested.

MONTREAL, November 29, 2022



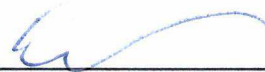
LAVERY, DE BILLY, L.L.P.
Lawyers for Petitioners

AFFIDAVIT

I, the undersigned, Éric St-Amour, Senior Vice President at Ernst & Young, having a place of business at 900, Boul de Maisonneuve West, Suite 2300, Montreal, Quebec, H3A 0A8, solemnly affirm that:

1. By Order of the Court issued on December 3, 2021, the powers of Ernst & Young Inc., acting in its capacity of Monitor to the Petitioners were expanded and includes among others the power to execute, assign, issue, endorse documents of whatever nature in respect of any of the Petitioners, whether in the Monitor's name or in the name of the Petitioners and on behalf of any of the Petitioners.
2. I am the authorized representative of the Petitioners and, as such, I have cognizance of all the facts in the present matter.
3. All the facts alleged in the *Application for a seventh extension of the stay of proceedings* are true.

AND I HAVE SIGNED:



ÉRIC ST-AMOUR

SOLEMNLY AFFIRMED before me on
November 29, 2022, by videoconference
Teams, in Montréal allowing me to
recognize Éric St-Amour, and witnessing
him having read the motion and the sworn
declaration and having signed it.




Commissioner of Oaths for Province of Quebec
Nathalie Tremblay

NOTICE OF PRESENTATION

TO: THE SERVICE LIST

TAKE NOTICE that the present *Application for a seventh extension of the stay of proceedings* will be presented for before the Honourable Justice Louis J. Gouin, S.C.J., on **December 2, 2022** at a time and in a forum to be further announced to the Service List.

Any party wishing to object to this motion shall file a notice of objection **no later than November 30, 2022, at 17:00 pm.**

If no one objects, judgment will be rendered without a hearing on December 2, 2022. If a notice of objection is filed, the coordinates will circulate for a hearing.

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, November 29, 2022



LAVERY, DE BILLY, L.L.P.

Lawyers for Petitioners

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

Nº: 500-11-058116-209

SUPERIOR COURT

(Commercial Division)
(Sitting as a court designated pursuant to the
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ERNST & YOUNG INC.

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LIST OF EXHIBITS

[Application for a Seventh Extension of the Stay of Proceedings]

Exhibit R-1: Draft Order – Extension to June 30, 2023.

MONTREAL, November 29, 2022



LAVERY, DE BILLY, L.L.P.
Lawyers for Petitioners

N°: 500-11-058116-209

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL

***IN THE MATTER OF THE COMPROMISE OR
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4406443 CANADA INC.

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4406443 PREMIUM HOLDINGS (USA) CORP.

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Petitioners

-and-

ERNST & YOUNG INC.

Monitor

**APPLICATION FOR A SEVENTH EXTENSION OF
THE STAY OF PROCEEDINGS, AFFIDAVIT, NOTICE
OF PRESENTATION, LIST OF EXHIBITS and
EXHIBIT R-1**

ORIGINAL

O/file: 001320-00060

BL 1332

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Me Jonathan Warin: 514 878-5616

Me Ouassim Tadlaoui: 514 878-5567

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SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

N°: 500-11-058116-209

DATE: December 2nd, 2022

PRESIDING : THE HONOURABLE LOUIS J. GOUIN, J.S.C.

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

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-and-

4406443 PREMIUM HOLDINGS (USA) CORP. (fka Spectra Premium Holdings (USA) Corp.)

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ORDER

[Application for a Seventh Extension of the Stay of Proceedings]

[1] CONSIDERING the Petitioners' *Application for a Seventh Extension of the Stay of Proceedings* (the "**Application**");

[2] **GIVEN** the allegations of the Application, the sworn statement filed in support therewith and the absence of contestation;

WHEREFORE, THE COURT:

[3] **GRANTS** the Application;

[4] **EXTENDS** the Stay Period (as such term is defined in paragraph 8 of the Second Amended and Restated Initial Order dated September 25, 2020) until June 30, 2023;

[5] **THE WHOLE**, without costs.

LOUIS J. GOUIN, J.S.C.

Mr. Jean Legault
Mr. Jonathan Warin and
Me Ouassim Tadlaoui
Lavery, de Billy LLP
Attorneys for Petitioners

Mr. Luc Morin and
Mr. Guillaume Michaud
Norton Rose Fulbright Canada LLP
Attorneys for the Monitor